

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Change in allowance for) DOCKET NO. 930738-TL
funds used during construction) ORDER NO. PSC-93-1260-FOF-TL
(AFUDC) rate from 9.47% to 8.79%) ISSUED: August 31, 1993
by UNITED TELEPHONE COMPANY OF)
FLORIDA)
_____)

The following Commissioners participated in the disposition of this matter:

J. TERRY DEASON, Chairman
SUSAN F. CLARK
JULIA L. JOHNSON
LUIS J. LAUREDO

NOTICE OF PROPOSED AGENCY ACTION
ORDER APPROVING CHANGE IN AFUDC RATE

BY THE COMMISSION:

NOTICE IS HEREBY GIVEN by the Florida Public Service Commission that the action discussed herein is preliminary in nature and will become final unless a person whose interests are adversely affected files a petition for a formal proceeding, pursuant to Rule 25-22.029, Florida Administrative Code.

By Order No. 20141, issued October 10, 1988, the Commission set a rate of 9.47% for calculating the Allowance for Funds Used During Construction (AFUDC) for United Telephone Company of Florida (United or the Company). By Order No. PSC-92-708-FOF-TL, issued July 24, 1992, in Docket 910980-TL, the Commission authorized a 12.50% return on equity (ROE) for United. This ROE was 100 basis points lower than that in effect when United's prior AFUDC rate was calculated. The change in ROE alone did not materially affect United's annual AFUDC rate. However, in early 1993, the effects on the capital structure from United refinancing its long term debt, combined with the lower ROE, produced a lower calculated AFUDC.

On July 21, 1993, United submitted a revised AFUDC rate of 8.79%, based on the average capital structure for the twelve months ending June 30, 1993. Accordingly, pursuant to the Commission's authority to initiate a proceeding to revise a utility's AFUDC rate, as granted by Rule 25-4.0171(7), Florida Administrative Code, we hereby revise United's annual AFUDC rate from 9.47% to 8.79%, effective September 1, 1993.

DOCUMENT NUMBER-DATE

09355 AUG 31 93

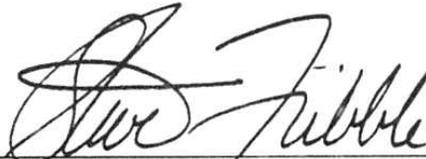
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Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that the annual Allowance for Funds Used During Construction rate for United Telephone Company of Florida shall be changed from 9.47% to 8.79%, effective September 1, 1993. It is further

ORDERED that if no proper protest to this proposed agency action is filed within the time frame set forth below, this Order shall become final and effective and this docket shall be closed.

By ORDER of the Florida Public Service Commission this 31st day of August, 1993.



STEVE TRIBBLE, Director
Division of Records and Reporting

(S E A L)

PAK

NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.59(4), Florida Statutes, to notify parties of any administrative hearing or judicial review of Commission orders that is available under Sections 120.57 or 120.68, Florida Statutes, as well as the procedures and time limits that apply. This notice should not be construed to mean all requests for an administrative hearing or judicial review will be granted or result in the relief sought.

The action proposed herein is preliminary in nature and will not become effective or final, except as provided by Rule 25-22.029, Florida Administrative Code. Any person whose

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substantial interests are affected by the action proposed by this order may file a petition for a formal proceeding, as provided by Rule 25-22.029(4), Florida Administrative Code, in the form provided by Rule 25-22.036(7)(a) and (f), Florida Administrative Code. This petition must be received by the Director, Division of Records and Reporting at his office at 101 East Gaines Street, Tallahassee, Florida 32399-0870, by the close of business on September 21, 1993.

In the absence of such a petition, this order shall become effective on the day subsequent to the above date as provided by Rule 25-22.029(6), Florida Administrative Code.

Any objection or protest filed in this docket before the issuance date of this order is considered abandoned unless it satisfies the foregoing conditions and is renewed within the specified protest period.

If this order becomes final and effective on the date described above, any party adversely affected may request judicial review by the Florida Supreme Court in the case of an electric, gas or telephone utility or by the First District Court of Appeal in the case of a water or wastewater utility by filing a notice of appeal with the Director, Division of Records and Reporting and filing a copy of the notice of appeal and the filing fee with the appropriate court. This filing must be completed within thirty (30) days of the effective date of this order, pursuant to Rule 9.110, Florida Rules of Appellate Procedure. The notice of appeal must be in the form specified in Rule 9.900(a), Florida Rules of Appellate Procedure.